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C O N F I D E N T I A L ZAGREB 000669

SIPDIS

E.O. 12958: DECL: 01/01/2019  
TAGS: [PREL](#) [PGOV](#) [HR](#) [SI](#)  
SUBJECT: PM SENDS ARBITRATION AGREEMENT TO PARLIAMENT FOR  
RATIFICATION

REF: A. ZAGREB 647  
[1](#)B. LJUBLJANA 347

Classified By: Rick Holtzapple, POL/ECON, Reason 1.4 B/D

1.(SBU) SUMMARY: Prime Minister Kosor has formally asked the parliament to ratify the Arbitration Agreement on the Croatian-Slovenian border dispute. Kosor hopes parliament will ratify the deal next week with more than the required 2/3 majority. Comments this week by EU Commission President Barosso to visiting opposition leader and Social Democratic Party President Zoran Milanovic that when the time comes the EU Commission would formulate the list of potential arbiters in a neutral and impartial fashion were key to shoring up adequate SDP support. According to a senior politician of the opposition Social Democratic Party on November 13, enough SDP MPs will vote in favor to ratify the accord. END SUMMARY

[1](#)2. (U) Prime Minister Jadranka Kosor announced that on November 12 her government has sent the bill for ratification of the Arbitration Agreement regarding the longstanding Croatian-Slovenian border dispute to the parliament. She said that parliament's ratification of the deal would irrevocably separate the border dispute from Croatia's EU bid. Furthermore, she reiterated Croatia's position that arbitral tribunal would makes its award "in line with international law" and that "nothing in the agreement should be understood as Croatia's consent to Slovenia's claims to territorial contact with the high sea." The PM stated that she expected parliament to ratify the arbitration agreement next week

[1](#)3. (SBU) Meanwhile, Zoran Milanovic, head of the main opposition Social Democratic Party (SDP), travelled to Brussels for a November 12 meeting with EU Commission President Jose Manuel Barroso to seek clarification regarding the deal. Subsequent to his meeting with Barroso, Milanovic indicated that he had received important explanations regarding the selection of eventual arbitrators and indicated the SDP would now be willing to support ratification of the agreement. Criticizing the government for not securing such pledges before signing the Agreement, Milanovic emphasized that he had received assurances from Barroso that the arbitrators would be picked by the EU Commission only after consultations with both Croatia and Slovenia and would be selected on the basis of their autonomy, competence, and objectivity. Croatian State Secretary Davor Bozinovic and Foreign Affairs Advisor Davor Stier had met with Barosso earlier the same day and garnered similar pledges for impartiality in the selection of arbitrators. (COMMENT: Milanovic's initiative to visit Barroso represented an elegant way out for the SDP, allowing them to say that they had, despite their criticism of the government, been able to gain confidence in the Agreement. END COMMENT.)

[1](#)4. (C) PolCouns met with SDP presidency member and former Foreign Minister Tonino Picula on November 13. Picula said

he favored the Agreement but that he and several other senior SDP members had had to argue against more hardline members of the party who were against supporting any agreement that stood to benefit the ruling coalition government. Picula said, after Milanovic's Brussels meeting, that he was now confident a sufficient number of SDP MPs would support ratification of the agreement to give it the necessary two-thirds next week. At least some SDP members, however, are still likely to oppose the accord.

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